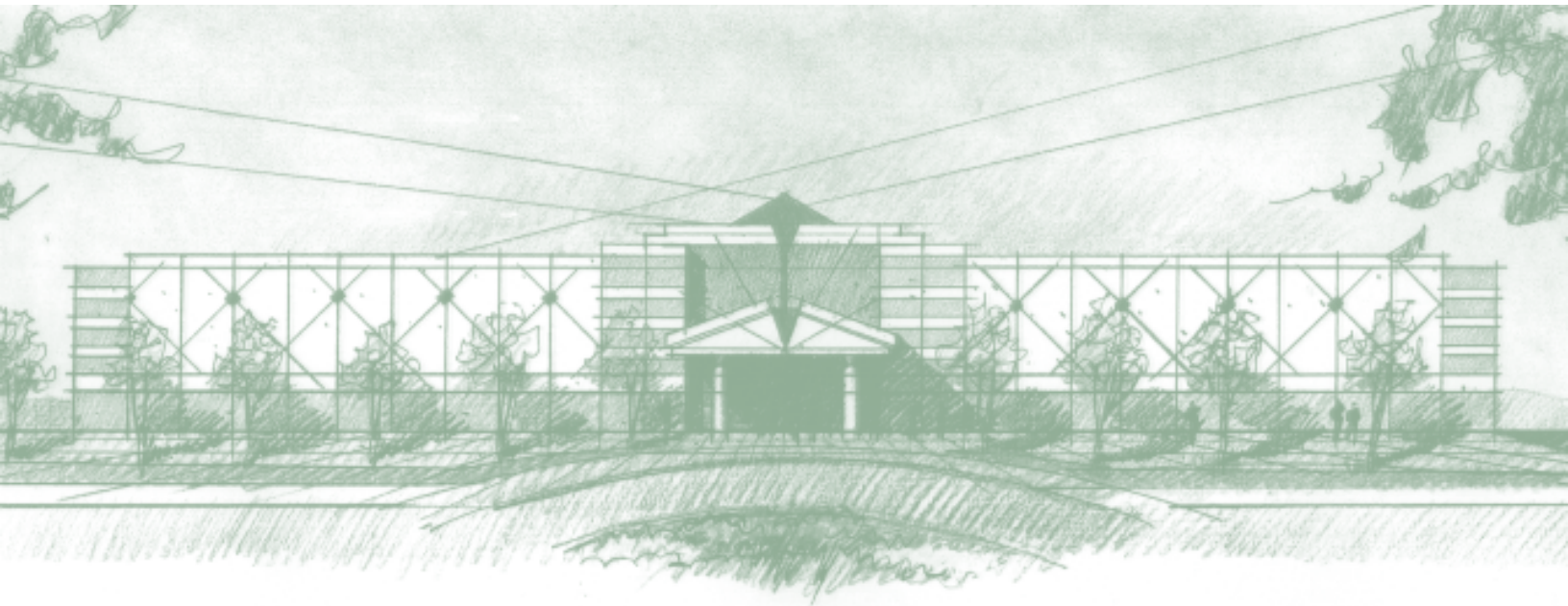


New Jersey Brownfields Redevelopment Update

Contaminated
Site Cleanup
and Reuse
1998



On the front cover: Dormant for years, Woodbridge's former municipal landfill is pictured as it looks today along with a rendering of a proposed new ice hockey and family fun center that will be constructed on top of the site. The township is well on its way to obtaining the appropriate state clearances to make this project a reality in the near future. An innovative approach to cap the old solid waste landfill, incorporating the new structure into the required cap and methane gas venting systems, makes this endeavor one of the most interesting brownfield projects underway in 1998.

On this page: NJDEP Site Remediation Program staff take shallow ground water samples from the Kramer brownfield site in Trenton as part of a pilot program using federal funds to help cities obtain necessary data to market vacant properties.

State Brownfields Program Offers Clear Guidance, Liability Protection and Financing

Last year was a pivotal year in New Jersey's brownfield movement. The Department expanded its outreach in 1998 to municipalities and private developers working on the more than 1,130 brownfield sites identified in the state. Voluntary cleanups by private parties accounted for more than \$40 million in remedial work. Furthermore, the Legislature provided several key liability protections that added needed safeguards for parties managing voluntary cleanup projects.

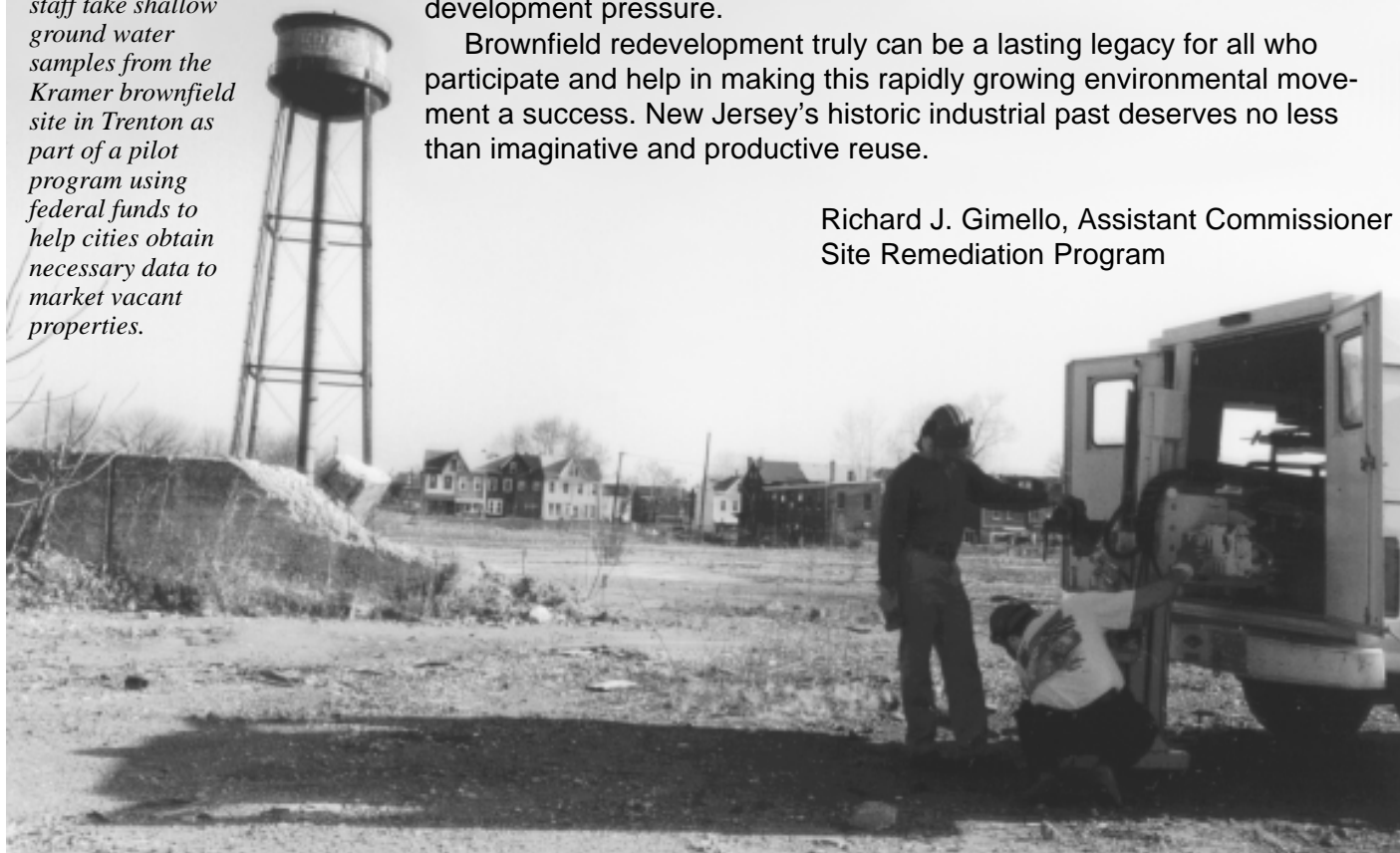
Conducting remedial activities at brownfield sites brings new life to industrial and commercial areas throughout the state where expansion or redevelopment is complicated by real or perceived environmental contamination. These new projects complement local and state redevelopment plans in areas targeted for revival.

Bringing developers and local governing bodies together, whether municipal or county, in a concerted effort to overcome site contamination obstacles is the Department's primary objective. Additional incentives through financial assistance, community outreach and other marketing programs are available through various state and federal agencies.

I invite you to become a part of this exciting era that is changing urban and even suburban landscapes. New laws and regulations offer flexible, realistic cleanup alternatives. Renewed sites mean safer neighborhoods and provide economic stability to municipalities. Finally, recycling old properties preserves open space that may otherwise face increased development pressure.

Brownfield redevelopment truly can be a lasting legacy for all who participate and help in making this rapidly growing environmental movement a success. New Jersey's historic industrial past deserves no less than imaginative and productive reuse.

Richard J. Gimello, Assistant Commissioner
Site Remediation Program



Brownfield Redevelopment Accelerates in 1998

Remediation and reuse of New Jersey's brownfield sites accelerated in 1998 with new statutory incentives and continued financial support. The Brownfield and Contaminated Site Remediation Act signed into law in 1998 established the Department as an integral player in the revitalization of contaminated sites across New Jersey. The act spurred a 29 percent increase in the number of voluntary cleanup agreements signed by private parties to conduct remedial actions, as noted in Figure A, with a portion of these agreements involving brownfield sites.

Creative and noteworthy projects abound: a new ice hockey rink in Woodbridge on an old municipal landfill; a supermarket shopping center in Elizabeth on an old commercial site; a new minor league baseball park in Newark on an old factory site; and, a professional, minor league hockey and basketball arena on another redeveloped portion of the Roebling Steel complex in Trenton. There are numerous other projects that are well underway and others in the early stages of development. Municipalities and develop-

ers have shown an increased interest in the program during the past year as the new brownfields act improved liability protection for these parties and their ability to quantify cleanup costs.

In 1998, the Site Remediation Program produced its first draft brownfield site inventory that includes 1,130 sites, which is a subset of the Voluntary Cleanup Program's complete inventory of sites. New Jersey is one of the most active states

What is a brownfield site?

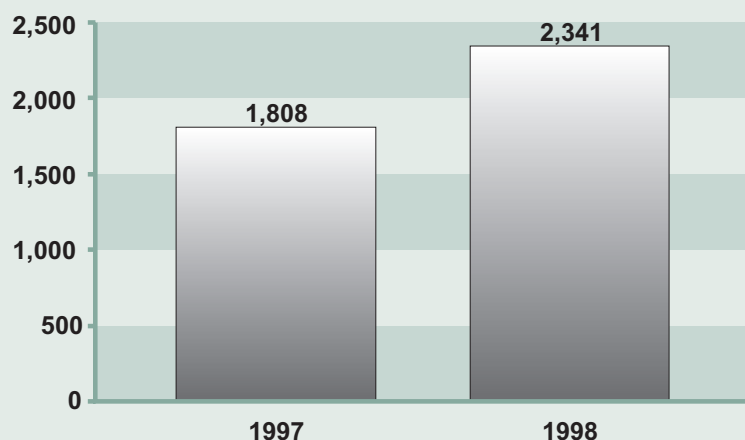
Any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of contamination.

in the nation in brownfield site redevelopment, as evidenced by the size of this inventory. These sites shown in Figure B will be tracked toward their eventual reuse. The brownfield inventory is projected to grow annually based on the continued interest in voluntary cleanups by private parties and local and county

governments.

And while cleaning up past contamination is a primary concern for brownfield reuse, other issues — available infrastructure, transportation, financing, taxes, work force, insurance, community needs and market forces —

Voluntary Cleanup Agreements



The Brownfield and Contaminated Site Remediation Act helped stimulate a 29 percent increase in private party, voluntary cleanups in calendar year 1998 from the previous year.

Figure A

New Jersey Brownfield Inventory

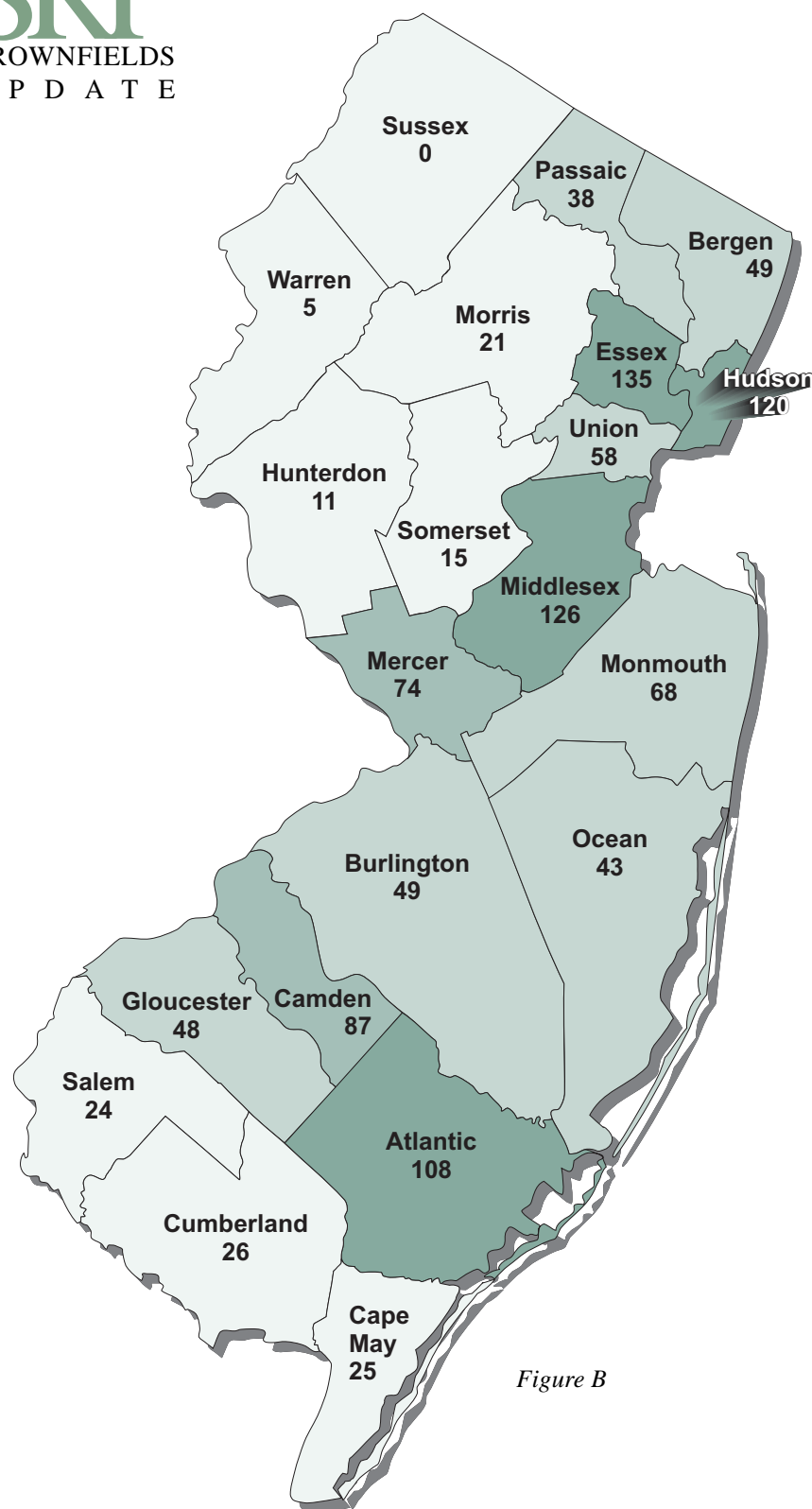


Figure B

also affect opportunities for economic redevelopment.

With passage of the new brownfield act, a developer can enter a Redevelopment Agreement with the state that provides up to a 75 percent reimbursement of remedial costs. This new aspect of the Brownfield and Contaminated Site Remediation Act allows the state to use projected tax revenue from future operations at the redeveloped site to pay a portion of remedial costs. Private developers must operate under NJDEP oversight at a brownfield site and receive a No Further Action determination after all remedial work is completed to allow the Redevelopment Agreement to be enacted.

The Department continued to work with the New Jersey Economic Development Authority in 1998 on the financing aspect of brownfields reuse to award grants and loans to municipalities and private parties to assist with site investigations and cleanup activities. Last year, municipalities received \$6 million grants, while private parties received \$2.2 million in grants and \$1.3 million in loans, all from the Hazardous Discharge Site Remediation Fund. Figure C shows the cumulative amount of grants and loans awarded since 1994 to stimulate action at brownfield sites. NJDEP technically approves applications for grants and loans from the fund and forwards these to EDA for financial review and approval.

Voluntary Cleanup Program Encourages Work at Tainted Sites

The Voluntary Cleanup Program facilitates contaminated site cleanups by private parties and municipalities at locations that have become desirable either for redevelopment or to allow a property transaction to occur. The cornerstone of the program is a Memorandum of Agreement that allows a party to voluntarily

approach the Department with the intent to investigate and clean up a contaminated site. Each year a portion of these voluntary cleanup agreements the Department approves includes a new group of brown-field projects.

The voluntary cleanup agreement basically is a contract established between the Department and the party electing to perform the work, but it is not an enforcement document. This means that parties can volunteer to conduct cleanups without the threat of punitive provisions, which in the past may have discouraged such efforts. Specifically, the voluntary cleanup agreements have an out clause, do not require the posting of financial assurances and do not include stipulated penalties. The Procedures for Department Oversight of The Remediation of Contaminated Sites (N.J.A.C. 7:26C), which became effective in May 1993 and were readopted in November 1997 rules, established the oversight mechanisms available at NJDEP, most notably the Memorandum of Agreement.

The Technical Regulations for Site Remediation (NJAC 7:26E) provide the regulatory framework for which remedial activities outlined in voluntary agreements will be performed. These requirements establish the minimum criteria for performing preliminary assessments, site investiga-

tions and remedial actions. New Jersey is one of only a few states with regulations defining how to conduct remedial activities at a contaminated site. And with its ground water and surface water regulations already in place, NJDEP is embarking on developing soil standards that will result in regulations for its currently used soil cleanup criteria.



The Mercer County Arena is scheduled to open in fall 1999 on part of the former Roebling Works Complex. After removal and capping of soil contaminated with petroleum hydrocarbons and heavy metals and removal of other building debris, the facility constructed will host the professional, minor league Trenton Titans hockey and Trenton Shooting Stars basketball teams.

New Brownfield and Contaminated Site Act

The Brownfield and Contaminated Site Remediation Act signed into law on January 6, 1998 provides for the latest changes in New Jersey's environmental cleanup guidance. The act, formally part of Senate Bill Number 39 (Public Law 1997, c.278), adds new provisions that advance brownfields reuse as part of a comprehensive program for urban redevelopment. The overall law amends the Hazardous Discharge Site Remediation Act, Spill Compensation and Control Act, Industrial Site Recovery Act, Environmental Opportunity Zone Act and other key statutes.

The most important liability provisions of the 1998 law are that it protects buyers of tainted sites from private lawsuits and from having to perform additional cleanup work, both related to past contamination problems, if they clean up the site in accordance with NJDEP regulations. Such buyers also must not be a party responsible for the site's original pollution problems. See the chart on the back cover for a full listing of the law's components.

The brownfield act also established a Brownfields Redevelopment Task Force to

coordinate state policy on brownfields redevelopment, including incentives, regulatory programs, provision of infrastructure, and redevelopment planning assistance to local governments. The task force will include five members from state agencies, including NJDEP's Site Remediation Program, and six members of the public, and will receive staff support from the Office of State Planning.

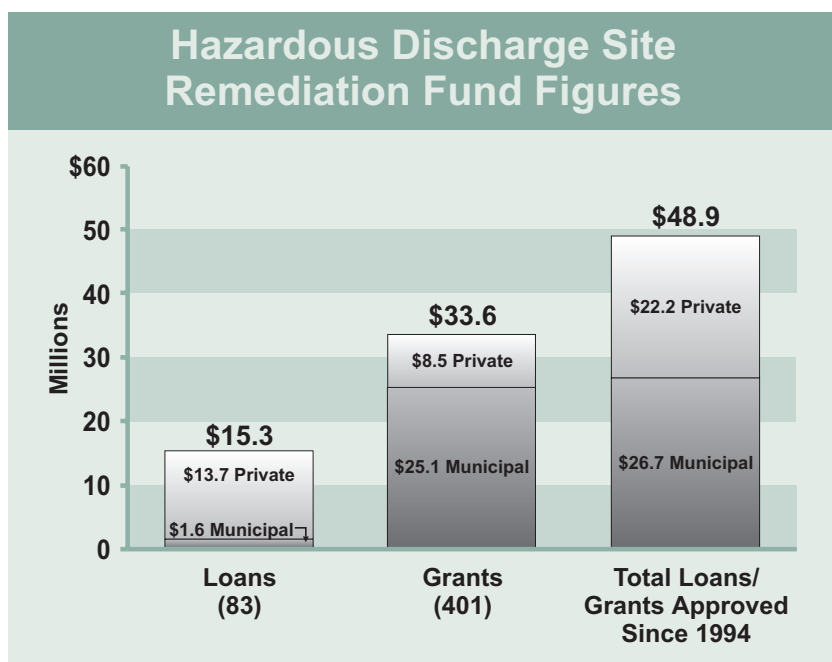
EPA Funded Site Assessment Projects and Grant Recipients

NJDEP is using federal monies to conduct preliminary assessments and site investigations at several sites in Trenton and plans future action in Newark. Site Remediation Program staff completed one site investigation in 1998 at an expansive old industrial site in Trenton, providing this information to city officials who are marketing the property to potential developers. Three additional site investigations are underway.

Moreover, the Department is continuing coordination with 12 cities and counties that have received federal brownfield grants from the U.S. Environmental Protection Agency. The Department has assigned individual coordinators to help local officials deal with the vast issues associated with the remediation and redevelopment of brownfields and the implementation of these grants. The EPA brownfield grant recipients are: Atlantic City, Camden, Elizabeth, Hudson County, Jersey City, Long Branch, Middlesex County, Morris County, Newark, Paterson, Perth Amboy and Trenton. This process allows the cities and counties to identify and assess various sites and neighborhoods that they would like to see redeveloped as well as develop strategies for continued implementation of brownfield projects.

The cities and counties each received \$200,000 to identify and assess various sites and neighborhoods that they would

Figure C



like to see redeveloped. Trenton received a showcase designation from EPA that includes support by other federal agencies. Continued support by the Department of these select cities and counties places New Jersey as a leader among other states in helping move EPA brownfields pilot projects forward.

Brownfield Contacts

The following provides a brief description of several key state programs along with names and telephone numbers of contact persons.

NJDEP Site Remediation Program

Administers Voluntary Cleanup Program and jointly administers Hazardous Discharge Site Remediation Fund.

Contact: Richard J. Gimello, Assistant Commissioner, or Terri Smith, Legislative Analyst, (609) 292-1250

NJDEP Office of Pollution Prevention and Permit Coordination

This office assists with identification of all required permits for development, coordinates with the Site Remediation Program and establishes a schedule for permit acquisition.

Contact: Ruth W. Foster
(609) 984-7478

New Jersey Office of State Planning

The planning office assists in coordinating brownfield projects and activities among state agencies and provides technical and practical information to assist

interested parties in brownfield redevelopment.

Contact: Mark J. Pedersen
Brownfields Program Manager
(609) 633-7536

Commerce and Economic Development Commission

The Urban Enterprise Zone and Brownfield Redevelopment Reimbursement programs are two significant incentive programs administered by the Commission that focus on urban redevelopment and brownfields.

Contact: Kelly Woods
(609) 633-8005

Progress is made on a residential development by K. Hovnanian Acquisitions, Inc., along the Hudson River in West New York and Guttenberg, Hudson County. The site was occupied by a rail yard, a shipping company and a vegetable oil processing facility.



NJ Economic Development Authority (EDA)

EDA and NJDEP jointly administer the Hazardous Discharge Site Remediation Fund.

Contact: JoAnn Petrizzo, Public Lending, Investment Banking Division
(609) 777-3603

Contact: Adam Mkerji, Commercial Lending Division
(609) 292-0187

Department of Community Affairs

The Unsafe Building Demolition Loan Fund, Urban Site Acquisition Program (USA) loans and the Urban Coordinating Council (UCC) are administered under this department.

Contact: John P. Patella, Senior Policy Advisor
(609) 292-9104

NJ Redevelopment Authority

The NJRA partners with community-based organizations, developers and business to leverage its resources to formulate redevelopment projects to increase economic opportunities in 67 designated urban municipalities.

Contact: Laurie Sheppard, Project Coordinator, (609) 292-3739

Department of Transportation

The Department of Transportation works in conjunction with NJDEP looking at projects that implement the State Plan (urban centers receive priority) and offers technical assistance and support to UCC communities (priority funding). The Department takes a proactive role in economic development in urban areas, including brownfields redevelopment.

Contact: Susan Weber
(609) 530-6500

New Brownfield Act and Statutory Amendments Encourage Redevelopment of Existing Industrial or Commercial Property

- ☐ Innocent Purchaser Protection — Provides a purchaser who investigates and remedies a property with a liability exemption from the Spill Compensation and Control Act.
- ☐ Covenant Not-to-Sue — NJDEP now includes language within its No Further Action letters stating it will not sue a property owner to require additional cleanup work for past contamination problems or previously undiscovered contamination once the property is remediated in accordance with Department guidance.
- ☐ Development of Presumptive Remedies — NJDEP will develop protective redevelopment remedies that may be implemented without prior NJDEP approval — helping to expedite redevelopment.
- ☐ Tax incentives — Enables reimbursement for up to 75 percent of the cost of remediation of contaminated sites from newly generated tax revenues.
- ☐ Incentives for Innovative Technology — Adds incentives for those who use innovative technology by eliminating a requirement that developers post financial assurances and dedicates five percent of Hazardous Discharge Site Remediation Fund grants for those using innovative technologies.
- ☐ Enhanced Information — Requires NJDEP to study contamination of state aquifers and investigate and map large areas of historic fill. The information would be accessible through the Geographic Information System (GIS) program.
- ☐ Lender Liability for Storage Tanks — Exempts lenders from liability for underground storage tanks provided that action is taken to empty and close the tanks.
- ☐ Environmental Opportunity Zone Amendment — Permits residential or other “productive” development in these zones where the prior law allowed only industrial or commercial reuse.